

RESOLUTION NO. 6554(22)

**A Resolution of the City Council of the City of Lompoc,
County of Santa Barbara, State of California,
Rescinding the Moratorium on Utility Service
Disconnections for Non-Payment, Rescinding Waiver of
Late Fees and Penalties on Utility Accounts, and
Amending Section 3 of Resolution No. 6328(20)**

WHEREAS, on March 17, 2020, the City Council of the City of Lompoc (City) adopted Resolution No. 6310(20) proclaiming a local emergency relating to the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, the City Council approved a moratorium on City utility service disconnections for non-payment, and waived all late fees and penalties on commercial and residential City utility accounts beginning March 17, 2020, for 60 calendar days; and

WHEREAS, on May 5, 2020, the City Council extended the moratorium on City utility service disconnections for non-payment, and waived all late fees and penalties on commercial and residential City utility accounts, until such time as the City Council declares an end to the state of local emergency; and

WHEREAS, on May 19, 2020, the City Council approved a one-time \$150 rebate/credit to be provided to each of City's Utility customers with Electric accounts, both business and residential, in the billing cycle immediately following May 19, 2020, which credit shall be applied to the customer's entire utility bill and unused portions of which shall roll over to subsequent months until the entire credit is used, the total value of those customer rebates totaled \$2,227,650; and

WHEREAS, between the dates of December 2021 and March 2022, the City was awarded a combined \$2,037,866 in California Arrearage Payment Program (CAPP), California Water Arrearage Payment Program (CWAPP), and the California Water and Wastewater Arrearage Payment Program (CWWAPP) grant funds that were provided by the State of California and were funded by the federal American Rescue Plan Act of 2021 (ARPA), those grants were applied toward customer account balances then in arrears; and

WHEREAS, after applying the CAPP, CWAPP, CWWAPP grant funds and City credits and rebates, the Utility Billing Accounts Receivable (UB A/R) balance was \$8.3 Million as of September 30, 2022, of which approximately \$4.8M represented balances more than 30 days late; and

WHEREAS, as of September 30, 2022, 4,306 customer utility accounts were delinquent and not on a payment plan; and

WHEREAS, the UB A/R is projected to reach over \$10.7M by June 30, 2023, if customers continue to delay paying their bills due; and

WHEREAS, City utilities do not work for a profit and do not have sufficient cash reserves to continue to provide current service levels without receipt of payment for services; and

WHEREAS, the City has applied, and been approved for an additional \$460,752 in CAPP grant funding, which is expected to be received by January 2023 and requires a waiver of disconnections until 90 days after the granted customer credits are applied; and

WHEREAS, the City Council wishes to reinstate disconnections for non-payment and late fees and penalties on utility accounts at the earliest possible date after the final grant award is credited to customer accounts.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LOMPOC, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The moratorium on City utility service disconnections for non-payment, and the waiver of all late fees and penalties on commercial and residential City utility accounts, enacted by the City Council on March 17, 2020, is hereby rescinded effective April 1, 2023.

SECTION 2. Resolution 6328(20), Section 3 is hereby amended as follows (stricken text is deleted; bold text is inserted): “The moratorium on City utility service disconnections for non-payment, and the waiver of all late fees and penalties on commercial and residential City utility accounts, enacted by the City Council on March 17, 2020, is hereby extended until ~~such time as the City Council declares an end to the state of local emergency~~ **April 1, 2023.**”

SECTION 3. City staff is hereby directed to initiate a robust communication plan to all utility customers, as outlined in the accompanying staff report, to ensure all customers with arrearages are sufficiently alerted to the upcoming disconnections.

SECTION 4. Effective Date. This Resolution is effective on the day of its adoption.

The foregoing Resolution was proposed by Council Member _____, seconded by Council Member _____, and was duly passed and adopted by the Council of the City of Lompoc at its regular meeting on December 6, 2022, by the following vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

Jenelle Osborne, Mayor
City of Lompoc

ATTEST:

Stacey Haddon, City Clerk
City of Lompoc